

## FPPA Fall 2018

### Notice of Adopted Rulemaking and Plan Amendment

*This Notice of Proposed Rulemaking and Plan Amendment is issued in accordance with FPPA Rule 702.01.*

On September 27, 2018, the Fire and Police Pension Association (“FPPA”) held a public rule-making hearing to consider adoption and amendment of Rules & Regulations, which includes certain new rules, amendments and the repeal of certain rules.

A description of the subjects and issues involved in the proposed amendments to the FPPA Rules and Regulations for the:

- Statewide Defined Benefit (SWDB) Plan,
- Statewide Death & Disability (SWD&D) Plan,
- Statewide Hybrid (SWH) Plan,

and the Plan Documents for the:

- Statewide Hybrid (SWH) Plan,
- Statewide Money Purchase (SWMP) Plan, are as follows:

Amendments regarding:

- Amending the rules and plan documents defining “Civil Union” and “Partner in a Civil Union” or “Party to a Civil Union” to clarify that rights, benefits, protections, duties, obligations, responsibilities, and other incidents granted to partners in a civil union are the same as granted to spouses, but limited to as a matter of state law
- Amending the rules defining “Base salary” to clarify what is included and what is excluded, and adding a time period for service considered as a temporary appointment to a higher rank
- Amending the rules and plan documents to place the rule addressing retirement applications, distributions and refunds of contributions in the administrative section of the Rules, and to clarify how payments due to members whose whereabouts are unknown are administered, providing for suspension and forfeiture of payments due after the expiration of a number of years, and providing for reinstatement of forfeited amounts when a member or beneficiary makes their whereabouts known to FPPA
- Adding a rule to clarify that an employer affiliated or participating in the Revised Statewide Defined Benefit Plan – Social Security Supplemental Plan Component may affiliate with the Statewide Death and Disability Plan without a member election
- Amending the rules to update how employers are to provide notice of meetings concerning participation in FPPA plans
- Amending the rules and plan documents to clarify that when a member vote is required, 65% of the members who vote is required to approve coverage under an FPPA plan
- Amending the rules and plan documents to comply with recently enacted statutory amendments in HB18-1031 concerning entry into the FPPA Defined Benefit System to allow employers to make one application to require all new employees to participate in either the Statewide Defined Benefit Plan or the Statewide Hybrid Plan, and also to allow some or all of the existing members of its money purchase plan to participate in the Money Purchase Component of the Statewide Hybrid Plan
- Amending the rules and plan documents to allow a reentry employer’s inactive and retired members of a local money purchase plan, or their beneficiaries, to choose between continued participation in the local money purchase plan or the Money Purchase Component of the Statewide Hybrid Plan
- Amending the rules to remove the requirement of a specific number of days prior to the proposed effective date of coverage under the FPPA Defined Benefit System for an employer to provide FPPA the certification required by §31-31-1101, C.R.S., as amended
- Amending the rules to consolidate FPPA Rule 610 with FPPA Rule 609 concerning entry into the FPPA Defined Benefit System
- Amending the rules to clarify that benefit payments to a retiree who does not select a distribution method will be made in compliance with Internal Revenue Code Section 401(a)(9)
- Amending the rules to remove reference to 16 percent as the combined member and employer contribution rate to the Statewide Defined Benefit Plan
- Amending the rules and plan documents to clarify that the payment of contributions for each payroll period shall be transmitted to FPPA no later than 10 days following date of payment of salary to the member, and permitting FPPA to waive the interest charge on delinquent contributions if the amount is de minimis, or for good cause
- Amending the rules to consistently refer to the FPPA Defined Benefit System throughout the rules
- Amending the rules and plan documents to clarify that only an active member who has transferred an account to the Money Purchase Component of the Statewide Hybrid Plan may use vested proceeds from the member’s local money purchase plan or the Statewide Money Purchase Plan to purchase service credit, and at the time of retirement, to elect to convert all or a portion of the member’s account balance into a monthly lifetime benefit

At the hearing on September 27, 2018, the Board made amendments to rules for which notice has not previously been provided. A description of the subjects and issues involved in the amendments made by the Board is as follows:

- Amending FPPA Rules 303.07, 604.05(b), 704.06, 708.02, 712.04, 719.01, 719.02, and 720.04 to provide that in addition to FPPA's Executive Director, COO, or CBO, FPPA's Deputy Executive Director may act to perform certain administrative functions.

Pursuant to FPPA Rule 702.02, the proposed final rules are available on the FPPA website, [www.fppaco.org](http://www.fppaco.org) as of October 8, 2018. Current versions of

all FPPA rules are on file in the FPPA offices. If you would like a copy of the amended rules and plan documents, or the supporting statements, please contact the FPPA offices at 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado, 80111, telephone number (303) 770-3772 or 1(800) 332-3772. A red line copy showing the changes in the rules and regulations and plan documents is also available upon request. Anyone wishing to submit written comments to the amendments made by the Board on September 27, 2018, limited to the amendments for which notice was not previously given, may submit them to FPPA on or before October 15, 2018. Comments will also be accepted by fax at 303-771-7622, or email to [gwitsell@fppaco.org](mailto:gwitsell@fppaco.org).

A description of the subjects and issues involved in the proposed amendments to the Colorado Springs New Hire Pension (CSNHPP) Plan Rules and Regulations are as follows:

Amendments regarding:

- Amending the rules to consistently refer to the FPPA Defined Benefit System throughout the rules.

A description of the subjects and issues involved in the proposed amendments to the FPPA Multi-Employer Deferred Compensation Plan Document are as follows:

- Amending the rules defining "Civil Union" and "Partner in a Civil Union" or "Party to a Civil Union" to clarify that rights, benefits, protections, duties, obligations, responsibilities, and other incidents granted to partners in a civil union are the same as granted to spouses, but limited to as a matter of state law
- Amending the plan document defining "Retirement Committee" to clarify that committee is selected by the plan Trustee
- Amending the plan document to clarify that in a voluntary salary deferral agreement, a participant may provide instructions on the amount to be deducted from a paycheck which may not be equal increments throughout the year
- Amending the plan document to remove the maximum deferral and the maximum catch up contribution tables and to substitute a reference to the sections of the Internal Revenue Code indexing the basic annual limitations on deferral amounts and limiting annual catch up contributions
- Amending sections of the plan document describing the duties assigned by the Trustee to the Retirement Committee and to the plan's record keeper,

and the duties of the Administrator and Employer

- Amending the unforeseeable emergency distributions provisions of the plan document to clarify the order of distribution from sub accounts
- Amending provisions of the plan describing the relationship of the Employer to the plan, and the duties of the Employer and the Trustee
- Amending the termination provisions of the plan to provide that any costs incurred by the Trustee associated with an Employer disaffiliating with the plan are to be paid by the disaffiliating Employer.

At the hearing, all interested individuals were given an opportunity to present arguments and evidence concerning the proposed rule changes. The Board adopted Resolutions 2018-05, 2018-06, 2018-07, 2018-08, and 2018-09 which included the proposed changes and the Statements of Basis, Purpose and Statutory Authority for all rule and plan document changes. Current versions of all FPPA rules are on file in the FPPA offices, as well as on the FPPA website at [www.fppaco.org](http://www.fppaco.org). If you would like a copy of the amended rules and plan documents, or the supporting statements, please contact the FPPA offices at 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado, 80111, telephone number (303) 770-3772 or 1(800) 332-3772. A red line copy showing the changes in the rules and regulations and plan documents is also available upon request.

Any questions concerning this rulemaking should be directed to Kevin B. Lindahl, General Counsel, or Mike Sutherland, Benefits Counsel.  
290 DTC Parkway, Suite 100 • Greenwood Village, Colorado 80111 • In the Denver Metro area (303) 770-3772 or 1(800) 332-3772 Statewide

Dated at Greenwood Village, Colorado, this 8th day of October 2018.